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INTRODUCTION

The Washtenaw County Friend of the Court (FOC) had a contract with the Michigan Family Independence Agency (FIA) to enforce all orders of support over which the Washtenaw County FOC had jurisdiction, to locate absent parents, and to provide certain reports on child support collections to the FIA. Washtenaw County FOC billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Washtenaw County for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Washtenaw County FOC for the period October 1, 2000 through September 30, 2001. We performed the audit tests that we determined were necessary to determine if the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Washtenaw County FOC overbilled the FIA for some line items. The State share of the net amount overbilled was \$11,907 (See Schedule A.)

Our report recommends the Office of Child Support initiate the process to recoup \$11,907 from the Washtenaw County FOC.

FOC RESPONSE

The Washtenaw County FOC has reviewed all findings and recommendations included in this report. They indicated in a memo dated December 5, 2002 that they do not agree with the findings in the report.

FINDINGS

Personnel - Workers Compensation

1. The Washtenaw County FOC overbilled the FIA \$8,050.00 for workers' compensation. The workers' compensation for 13 employees was incorrectly billed at the higher rate that is only for police or correction officers. (See Schedule A.)

Workers Compensation-Equipment Purchase

2. Washtenaw County FOC overbilled the FIA \$9,990 for workers compensation internal service fund. The County spent \$972,452 under the equipment repair and rental line, which was for ergonomic furniture. According to Office of Management and Budget Circular A-87, the purchase of furniture is not an allowable cost out of the reserve fund. The cost of equipment is only allowable through depreciation or a use charge, if the cost is over \$5,000, (See Schedule A.)

WE RECOMMEND that the Office of Child Support instruct Washtenaw County FOC to reclassify the furniture purchased as items that are to be depreciated over the expected life of the equipment.

Reliability of County's Records

- 3 Washtenaw County FOC's General Ledger amounts for several accounts do not reconcile to the amounts shown in the subsidiary accounts. Washtenaw County staff informed us that some of the data was lost when the computers were updated, and cannot be retrieved.

WE RECOMMEND the Office of Child Support initiate the process to recoup \$11,907 from the Washtenaw County FOC.

WE ALSO RECOMMEND that the Office of Child Support ensure that the Washtenaw County FOC's General Ledger and subsidiary records are in agreement from the date of the conversion forward.

SCHEDULE A
Washtenay County FOC
Summary of Audit Adjustments

Finding #	Line Item	Audit Period	(Over)/Under Billed Gross Amount	IV-D %	(Over)/Under Billed IV-D Amount	State %	Due (State) County	
1	Personnel	10/1/00-9/30/01	\$ (9,380)	85.82%	\$ (8,050)			
					\$ -			
2	Personnel	10/1/00-9/30/01	\$ (11,625)	85.94%	\$ (9,990)			
					\$ -			
					\$ -			
					\$ -			
					\$ -			
					\$ -			
					\$ -			
					\$ -			
					\$ -			
Grand Total of the IV-D Audit Adjustments					\$ (18,040)			
Calculation of the Payment Due the (State) County								
Audited IV-D Amount					\$ (18,040)			
IV-D Amount Used for the Payments Actually Made								
					\$ (18,040)	66.00%	\$ (11,907)	